

Federal Maritime Commission

§ 510.12

granted a separate license to carry on the business of forwarding even though it is associated with, under common control with, or otherwise related to another ocean freight forwarder through stock ownership or common directors or officers, if such applicant submits: (1) A separate application and fee, and (2) a valid surety bond in the form and amount prescribed under § 510.14. The proprietor, partner or officer who is the qualifying individual of one active licensee shall not also be designated the qualifying proprietor, partner or officer of an applicant for another ocean freight forwarder license.

(d) *Common carrier.* A common carrier or agent thereof which meets the requirements of this part may be licensed to dispatch shipments moving on other than such carrier's own bill of lading subject to the provisions of § 510.23(g).

[49 FR 36297, Sept. 14, 1984; 49 FR 38544, Oct. 1, 1984]

§ 510.12 Application for license.

(a) *Application and forms.* (1) Any person who wishes to obtain a license to carry on the business of forwarding shall submit, in duplicate, to the Director of the Commission's Bureau of Tariffs, a completed application Form FMC-18 Rev. (*Application for a License as an Ocean Freight Forwarder*) and a completed anti-rebate certification in the format prescribed under § 510.25. Copies of Form FMC-18 Rev. may be obtained from the Director, Bureau of Tariffs, Federal Maritime Commission, Washington, DC 20573, or from any of the Commission's offices at other locations. Notice of filing of such application shall be published in the FEDERAL REGISTER and shall state the name and address of the applicant. If the applicant is a corporation or partnership, the names of the officers or partners thereof shall be published.

(2) An individual who is applying for a license in his or her own name must complete the following certification.

I, _____ (Name) _____, certify under penalty of perjury under the laws of the United States, that I have not been convicted, after September 1, 1989, of any Federal or State offense involving the distribution or possession of a controlled substance, or that if I have been so convicted, I am not ineligible to re-

ceive Federal benefits, either by court order or operation of law, pursuant to 21 U.S.C. 862.

(b) *Fee.* The application shall be accompanied by a money order, certified check or cashier's check in the amount of \$778 made payable to the *Federal Maritime Commission*.

(c) *Rejection.* Any application which appears upon its face to be incomplete or to indicate that the applicant fails to meet the licensing requirements of the Shipping Act of 1984, or the Commission's regulations, shall be returned by certified U.S. mail to the applicant without further processing, together with an explanation of the reason(s) for rejection, and the application fee shall be refunded in full. All other applications will be assigned an application number, and each applicant will be notified of the number assigned to its application. Persons who have had their applications returned may reapply for a license at any time thereafter by submitting a new application, together with the full application fee.

(d) *Investigation.* Each applicant shall be investigated in accordance with § 510.13.

(e) *Changes in fact.* Each applicant and each licensee shall submit to the Commission, in duplicate, an amended Form FMC-18 Rev. advising of any changes in the facts submitted in the original application, within thirty (30) days after such change(s) occur. In the case of an application for a license, any unreported change may delay the processing and investigation of the application and may result in rejection or denial of the application. No fee is required when reporting changes to an application for initial license under this section.

[49 FR 36297, Sept. 14, 1984, as amended at 55 FR 42194, Oct. 18, 1990; 59 FR 59171, Nov. 16, 1994; 62 FR 6132, Feb. 11, 1997; 63 FR 50536, Sept. 22, 1998]

EFFECTIVE DATE NOTE: At 63 FR 50536, Sept. 22, 1998, § 510.12(b) was revised, effective Nov. 2, 1998. For the convenience of the user, the superseded text is set forth as follows:

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(b) *Fee.* The application shall be accompanied by a money order, certified check or

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cashier's check in the amount of \$687 made payable to the *Federal Maritime Commission*.

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§ 510.13 Investigation of applicants.

The Commission shall conduct an investigation of the applicant's qualifications for a license. Such investigations may address:

- (a) The accuracy of the information submitted in the application;
- (b) The integrity and financial responsibility of the applicant;
- (c) The character of the applicant and its qualifying individual; and
- (d) The length and nature of the qualifying individual's experience in handling freight forwarding duties.

§ 510.14 Surety bond requirements.

(a) *Form and amount.* No license shall be issued to an applicant who does not have a valid surety bond (FMC-59 Rev.) on file with the Commission in the amount of \$30,000. The amount of such bond shall be increased by \$10,000 for each of the applicant's unincorporated branch offices. Bonds must be issued by a surety company found acceptable by the Secretary of the Treasury. Surety Bond Form FMC-59 Rev. can be obtained in the same manner as Form FMC-18 Rev. under § 510.12(a).

(b) *Filing of bond.* Upon notification by the Commission by certified U.S. mail that the applicant has been approved for licensing, the applicant shall file with the Director of the Commission's Bureau of Tariffs, a surety bond in the form and amount prescribed in § 510.14(a). No license will be issued until the Commission is in receipt of a valid surety bond from the applicant. If more than six (6) months elapse between issuance of the notification of qualification and receipt of the surety bond, the Commission shall, at its discretion, undertake a supplementary investigation to determine the applicant's continued qualification. The fee for such supplementary investigation shall be \$224 payable by money order, certified check or cashier's check to the *Federal Maritime Commission*. Should the applicant not file the requisite surety bond within two years of notification, the Commission will consider the application to be invalid.

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(c) *Branch offices.* A new surety bond, or rider to the existing bond, increasing the amount of the bond in accordance with § 510.14(a), shall be filed with the Commission prior to the date the licensee commences operation of any branch office. Failure to adhere to this requirement may result in revocation of the license.

(d) *Termination of bond.* No license shall remain in effect unless a valid surety bond is maintained on file with the Commission. Upon receipt of notice of termination of a surety bond, the Commission shall notify the concerned licensee by certified U.S. mail, at its last known address, that the Commission shall, without hearing or other proceeding, revoke the license as of the termination date of the bond, unless the licensee shall have submitted a valid replacement surety bond before such termination date. Replacement surety bonds must bear an effective date no later than the termination date of the expiring bond.

[49 FR 36297, Sept. 14, 1984, as amended at 59 FR 59171, Nov. 16, 1994; 63 FR 50536, Sept. 22, 1998]

EFFECTIVE DATE NOTE: At 63 FR 50536, Sept. 22, 1998, the penultimate sentence in § 510.14(b) was revised, effective Nov. 2, 1998. For the convenience of the user, the superseded text is set forth as follows:

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(b) * * * The fee for such supplementary investigation shall be \$213 payable by money order, certified check or cashier's check to the *Federal Maritime Commission*. * * *

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§ 510.15 Denial of license.

If the Commission determines, as a result of its investigation, that the applicant:

- (a) Does not possess the necessary experience or character to render forwarding services;
 - (b) Has failed to respond to any lawful inquiry of the Commission; or
 - (c) Has made any willfully false or misleading statement to the Commission in connection with its application,
- A letter of intent to deny the application shall be sent to the applicant by